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FOREIGN SERVICE DESPATCH

FROM : AMCONSUL, LAGOS, NIGERIA

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TO : THE DEPARTMENT OF STATE, WASHINGTON.

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SUBJECT: Fortnightly Review - August 26 to September 8, 1951

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY Eric Holmes DATE 7/16/82

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POLITICAL

General Comments

On the eve of final elections, looking toward a much greater degree of self-government, it can be said that in Nigeria, Britain's largest colony, there has been, during the past 2 years, a good deal of progress towards general political stability, culminating in the introduction of a new Constitution. Racial relations are not bad. In the south, particularly among the Yorubas, a middle class, with intellectual and commercial interests of its own, has emerged. The produce marketing boards have contributed greatly to balanced food and crop production and distribution.

Of course, in a country of 30,000,000 souls, differing widely in tribal temperament, stages of development and even religion, all cannot be peace and order. While in general the situation could be described as quiet, there is some endemic turbulence. The trade union movement has lost ground because of greed and bad leadership of certain union officials, and labor relations have in general deteriorated. Communist propaganda literature and some money have been imported, but the consensus seems to be that commies have lost ground, despite above developments.

During the elections the only influential political party which attempted to function on an all-Nigerian basis was Dr. Azikiwe's NCNC. That movement, however, was not wholly successful because of the aloof attitude of the Islamic north, and the fact that it conflicted with the Yorubas in the west.

The Fifth and last session of the Legislative Council, under the old constitution, came to an end on August 25, 1951. There were no accomplishments of special note, but the Council did pass a motion by the Second Lagos Member, Dr. the Honorable Nnamdi AZIKIWE, urging the Government to see to the implementation of its assurance that the general elections will be free and fair.

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The end of the last Legislative Council session marked the close of an era and the ushering in of a new age different in many respects from its predecessor, particularly as regards the make-up and functions of the new Regional Assemblies and the new House of Representatives as compared with the old Legislative Councils.

Digest of Remarks by Financial Secretary in Legislative Council on Cost of Living and Inflation.

He said the reasons for rising costs of living were:

1. Stockpiling by governments, because of Korea situation, causing (a) rises in prices of manufactured goods and basic materials, (b) higher labor and freight charges on goods exported to Nigeria, and (c) shortages.

2. The inflationary effect of the increases in the amount of money received by Nigeria for exported goods.

The Financial Secretary said that the government holds the view that the most hopeful approach to the problem is to take all the steps it can to insure (1) that larger supplies, both of imported goods and of local foodstuffs, come forward; and (2) that the additional amount of money going into circulation is kept within reasonable limits.

Concerning price controls, the Financial Secretary cited a long list of reasons why such controls were not advisable or possible in Nigeria. He also said that the Government opposed across-the-board increases in government salaries as that would aggravate inflation.

Trying desperately to hold the line against inflation, he said that above policy has met with a demonstrable degree of success as prices have not gone up here nearly so much as in neighboring territories or in the world as a whole.

While he said that at present no general increases in government salaries were possible, because that would aggravate inflation, he promised to do something soon to help the lowest paid groups, and in the meantime to conduct a general salary review.

Government Ban on Political Activity

The government has revised its existing General Orders banning all political activity by employees of the government. They forbid (without express permission of Chief Commissioner) acting as editor of a publication; contributing to newspaper material which could be regarded as a matter of political controversy; holding office in

political organization; speaking in public on political controversy; offering self as candidate in certain elections; indicating publicly support or opposition to any party, candidate or policy; and engaging in canvassing in support of political candidates.

NCNC Names Candidates for General Election

The five candidates of the NCNC for the Lagos area are: Dr. Nnamdi Azikiwe, Dr. Ibyinka OLORUN-NIMBE, Mr. Adeleke ADEDOYIN, Mr. F. O. COKER, and Mr. H. P. ADEBOLA.

Terms of Executive Council Members Extended

Four Nigerian members of the Executive Council have been reappointed for a further 6 months, inasmuch as their terms ended on September first. The object of this measure is to insure that the presence of Nigerian members on the Executive Council is maintained until the new constitutional arrangements are brought into being, but the extension is, of course, unlikely to last for the full six months. The Executive Council will cease to exist from the time when the new Council of Ministers is established.

Hearings Opened on EZE Case

At the end of August hearings began on the case to prosecute Nduka EZE, pro-communist former labor leader for alleged fraud in obtaining £300 from a student. Witnesses are now being heard.

ECONOMIC

Cost of Living Rising

No subject is more worrying to the Government right now than the generally rising cost of living. There have been many suggestions as to price controls, but these have been rejected for various reasons. The Government is trying to increase the supply of goods and foods, both imported and domestic, and some success has been registered locally (see below). The Government feels that the real solution does not lie in generally increased wages, because of the inflationary effects.

More Food in North

The food production drive in the Northern Provinces is producing encouraging results, and prices of some important foodstuffs have declined sharply of late. This includes corn and millet in Kano, and should have some effect in countering generally increasing living costs.

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Cocoa Deliveries

Deliveries of Nigerian cocoa through August 23, 1951 for the 1950-1951 season were 105,915 long tons, main crop and 4,528 long tons of the light crop.

Peanut and Cotton Prices

The final peanut purchasing price for the coming season will be £36 per long ton of 2240 lbs. instead of £32 as previously announced. This is a substantial increase over the £21-10-0 paid in the past crop year. The cotton price will remain unchanged from the price announced in the spring, which was 6d per lb. at cotton markets in the Northern Region.

Major Developmental Works to be Financed by Local Resources

At the 5th and last session of the old Legislative Council, the Financial Secretary announced the Government's intention to raise locally a loan of some £20,000,000 primarily for the purpose of completing the Ten Year Plan of Development and Welfare. The Secretary's statement represents a reversal of the former policy to import overseas capital. This change in policy seems to be welcome by the Nigerian people who are anxious to reconcile sound economic development with genuine freedom. One reason for the change of policy is, of course, that the prospect of Nigeria floating loans on the London market appears to be slim what with the burden of rearmament in Great Britain.

Aerial Survey Made

Sponsored by the Survey Department, Western Provinces, there was made an aerial survey to determine potential areas in the Western Region for the cultivation of cocoanuts and swamp rice under the Agricultural Development of Colony Area Scheme.

New Kano Terminal Building

A new terminal building for the Kano Airport is in process of construction at a cost of £400,000.

In view of the international status of Kano and its strategic importance, the Kano Airport is the busiest in all Africa.

New Machine to Stock-Pile and Unload Cocoa.

New mechanical, handling equipment has been installed at Apapa docks in Lagos by the Department of Marketing and Exports to speed up loading and unloading of Nigerian produce, notably cocoa. It is a conveyor system.

Daily Air Service London-West Africa

For the first time since the inauguration of air services between West Africa and the United Kingdom, there will be a daily air service between Accra, Lagos, Kano and London during the last three weeks in September.

British Overseas Airways Corporation have decided to introduce this daily service in order to facilitate the transfer of the ever-increasing loads between West Africa and the United Kingdom. From September 1, a permanent scheduled service came in operation leaving London on Fridays and Accra on Sundays.

An additional service, which will bring the service to seven days a week, will leave London on Mondays from September 10 and Accra on Wednesdays from September 12.

LABOR

Trade Unionists Endeavor Revive Labor Congress

All efforts are being made by trade union personnel to revive the Nigerian Labor Congress which has practically ceased to function. At a recent meeting held to discuss reorganization, it was decided that the NLC should sever all connections with the Communist-influenced WFTU. However, no decision was reached as to whether to affiliate with the ICFTU.

Trade Union Movement

The trade union movement in Nigeria today is reported to be in a chaotic state because of influences which have adversely affected the workers. The 1945 general strike seems to have brought into the trade union movement some conscienceless careerists who have exploited the workers and promoted their own ends. Much havoc appears to have been perpetrated by political opportunists under the pretext of serving the workers. Confessions and exposures are now coming from within the trade union movement itself. This may well be the start of a campaign to rid the movement of undesirable elements, and to rebuild on a more solid basis for the future.

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OTHER

Nigerians Win American Grants

News of decision of the U.S. Government to award grants, via the student exchange program, to 3 Nigerians to assist them in studying during 1951-52 toward graduate degrees in American universities was well received here and given prominence in the press.

U.S. Engineer Visits Nigeria

Mr. B. C. BURGESS, United States Economic Cooperation Administration mining engineer, visited Lagos during the period under review. Earlier Mr. Burgess spent four days viewing the tin mines at Jos Plateau.

Governor Leaving

The Governor is leaving by air this week for a 6 weeks' vacation in England. The Chief Secretary will be in charge of the Government during his absence.

A. W. Childs
American Consul General

Copy to Embassy London.